

KIDDERMINSTER TOWN COUNCIL  
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1<sup>st</sup> September 2022

The meeting of the **FINANCE AND OVERVIEW COMMITTEE** will be held in the **COUNCIL CHAMBER, KIDDERMINSTER TOWN HALL** on **WEDNESDAY 7<sup>TH</sup> SEPTEMBER 2022** at **6:00PM** when Members are summoned to attend.

Yours Sincerely

A handwritten signature in blue ink, appearing to read 'Lee Jakeman'.

Lee Jakeman  
Chief Executive & Responsible Financial Officer

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Membership: Councillors: D. Ross (Chairman); J. Smith (Vice Chairman); J. Aston, D. Chambers and F. Oborski MBE.

## **FINANCE & OVERVIEW COMMITTEE AGENDA – WEDNESDAY 7<sup>th</sup> SEPTEMBER 2022**

### **1. Apologies for absence**

### **2. Declarations of interest**

To receive declarations under consideration on this agenda in accordance with the Localism Act 2011 s32 and The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012.

Members are reminded that should you declare a pecuniary interest at a meeting, it is your responsibility to inform the Monitoring officer.

### **3. Public Question Time**

Members of the public who are electors of the town of Kidderminster are advised that they are welcome to ask questions about agenda items. If a question relates more generally to the business of the Council, advance notification is preferred in order to provide a more considered response. Verbal responses are not always possible, and so questions may receive a written reply. In accordance with Standing Order 1s (viii), questions should be related to matters of Town Council policy or practice and not related to the individual affairs of either the questioner or another named person.

*(Clerks Note: The Council will generally permit up to 15 minutes for public questions, each question being limited to 3 minutes)*

### **4. Minutes**

4.1. To approve the minutes of the meeting of Finance and Overview Committee on held on Wednesday 27<sup>th</sup> April 2022.

### **5. Budget Review**

5.1 To receive a report from the Chief Executive and consider the following recommendations:

**Kidderminster Town Council**  
**MINUTES of the Finance & Overview Committee meeting held on**  
**Wednesday 27 April 2022 at 6:00pm in the**  
**Council Chamber, Town Hall, Kidderminster**

**Present:** Councillors D. Ross (Chairman), D. Chambers, K. Gale, D. Hine and F. Oborski MBE

**F.184           Apologies**

There were none, all member of the Committee being present.

**F.185           Minutes of the meeting held on 17 November 2021**

**RESOLVED:** - that the minutes of the meetings held on 17 November 2021 be agreed as a correct record.

**F.186           Declarations of Interests by Members**

Councillors Ross and Hopkins each declared non-pecuniary interests in Agenda Item 6, the grant application from the Museum of Carpet on the grounds that they were trustees of the Museum Trust.

**F.187           Public participation**

None.

**F.188           Finance**

Councillors considered the following matters related to the Council's finances:

- The schedule of accounts paid between 16 March and 31 March (including some earlier dates) totalling expenditure of £146,187.28 was received and agreed;
- A schedule of answers to finance questions raised previously was considered and the answers received;
- Members received the first draft of the year end figures for the financial year ending 31 March 2022 showing draft expenditure against budget. Councillors noted that this was an early draft and that a number of year end accounting transactions had yet to take place and that these might substantially alter the figures. Income and expenditure relating to the Town Hall bar was a matter of some concern to Councillors and questions were raised about staff costs and whether a stocktake of the bar had been undertaken at the end of the financial year. It was further noted that anticipated levelling up funding (LUF) had not yet been received and that the Town Hall Transformation Project showed a significant overspend that had not been offset by grant income (it was anticipated that a debtor would be raised for the LUF due and that this would improve the position in the final year end figures). Other minor points of detail were discussed.

**F.189           Grant Funding**

Councillors considered the following grant applications and decided upon them as indicated:

**Museum of Carpet** - £6,000 was applied for as a contribution to the costs of the summer temporary exhibition to celebrate the museum's 10<sup>th</sup> birthday.

**RESOLVED:** to make a grant of £3,000 to the Museum of Carpet

- F.190**      **Kidderminster Choral Society** - £4,000 was applied for as a contribution to the costs of a Platinum Jubilee concert to be held in June.  
**RESOLVED:** to make a grant of £2,000 to the Choral Society.
- F.191**      **To further consider the Financing of the Town Hall Project**  
This item was deferred.
- F.192**      **Exclusion of the Press and Public**  
**RESOLVED:** - that, under Section 100 of the Local Government Act 1972 and in accordance with Standing Order 3(b), the press and public be excluded from the meeting during the consideration of the following items of business on the grounds that they involve the disclosure of categories 1, 2 and 3 of "exempt information" as defined in the appendix to the standing orders.
- F.193**      **Consideration of Quote re Members' IT**  
Councillors considered a quote to provide gov.uk emails for all councillors and to subscribe to Microsoft Office 365.  
**RESOLVED:** - that, in principle the proposal should be pursued that those costs should be kept to a minimum with Councillors encouraged to use Town Council iPads where already issued or their own devices. The office to contact all councillors to establish their preferences.

The meeting ended at 7.07pm

Chairman

Date

**KIDDERMINSTER TOWN COUNCIL  
FINANCE & OVERVIEW MEETING**

**7<sup>th</sup> September 2022**

LJ/2022

31 August 2022

REPORT TO TOWN COUNCILLORS

AGENDA ITEM 5 – BUDGET REVIEW (FY2022/23)

AIM

1. To carry out a review of Town Council budgets and approve any adjustments.

BACKGROUND

2. Kidderminster Town Council Financial Regulations provide the framework for the budgeting, spending and management of Town Council Finances.
3. The Town Council agreed a budget on 26<sup>th</sup> January 2022. Town Council minute c.681 refers.
4. 17<sup>th</sup> August 2022 - Town Council officers with responsibility for services met to review budgets against in year current spend and predicted spend. In addition our external financial officer has provided additional commentary. Over the course of the following week a spreadsheet was produced to provide some indicative commentary on expenditure within each budget line and predicted end of year spends were reviewed and this has been refined almost daily. (see attached)
5. The spreadsheet indicates that there are numerous expenditure budgets that have or are about to be overspent. Financial regulations allow for officers (thru' the CEO) to incur expenditure up to agreed budget levels.
6. A review of budgets on or around the half year is considered necessary.

DISCUSSION/ COMMENT

7. Kidderminster Town Council Financial Regulations delegate authority to spend to the Town Clerk (CEO) provided that there is a budget for a particular type of expenditure and that there are sufficient funds within the budget heading.

8. Without some amendments to numerous operating budgets then the ability to pay some invoices will be frustrated.
9. It might be useful to consider budgets as an envelope into which expenditure and income can be placed. They guide anticipated expenditure but might need expanding or reducing as assumptions at the start of the year are replaced by certainty.
10. Members should consider the attached summary budget report. The report includes:
  - a. The current budget.
  - b. Expenditure to date (as at 15<sup>th</sup> August 2022).
  - c. Committed expenditure (as at 15<sup>th</sup> August 2022).
  - d. Budget spend as a percentage (as at 15<sup>th</sup> August 2022).
  - e. Predicted spend for the financial year.
  - f. Indicative budget totals for financial year 2023/24.
  - g. Indicative commentary on the reason for the budget levels.
11. At this time there are varying degrees of certainty around individual budget lines. Some are relatively easily predictable e.g. where there are fixed contracts for a particular service (e.g. SLAs). Some we know are wrong but not by how much (e.g. wage increases which are subject to ongoing discussions as part of a national agreement framework). A number are wrong as a result of the delay to the closure of the Town Hall. Furthermore, a number of expenditure codes did not anticipate the sudden and large increases in inflation.
12. A number of budget lines are at risk of breaking their ceiling by the end of the year but we do not have sufficient information readily at hand to predict accurately the new levels. Where these are relatively straight-line expenditure items, then it is felt that there is no need at this stage to revise the budgets as the budget pressure will not be seen until early in the new year.
13. A number of expenditure budgets that were set at zero have reciprocal income budgets that offset the expenditure and as long as they balance (or income is above expenditure then there is no impact on the outcome of the budget.
14. The predicted spends highlighted in green indicate a high level of confidence that the budgets are sufficient.
15. The predicted spends highlighted in red indicate that there is evidence to support a change in the budget to allow routine expenditure to be incurred by officers to comply with financial regulations.
16. The attached spreadsheet is produced at a moment in time (15<sup>th</sup> August) and it is likely that the expenditure/income to date on many of the budgets will have changed in the past few weeks.

17. A continual review of budgets throughout the year is helpful in predicting the general reserve at the end of the financial year and be used to inform the budget setting process for the following year at an early stage.

18. It might be necessary later in the year to make additional revisions.

## SUMMARY

19. A number of budgets have been exceeded.

20. A review of current expenditure budgets is required to allow in year spending to comply with financial regulations.

21. A spreadsheet has been produced based on financials as at 15<sup>th</sup> August which provides predicted spends (and income) for the remainder of the current financial year and identifies those budgets that most need amending.

## OPTIONS

22. Retain budgets as they were set prior to the start of the year and see what the outturns are at the end of the year and, acknowledge that the CEO will need to have some delegated authority to exceed expenditure on a variety of budgets to continue with business-as-usual activity.

23. Amend the budgets as suggested by or in general line with the budget summary spreadsheet attached to this report.

## RECOMMENDATION(s)

24. It is recommended that the Town Council RESOLVES:

To revise the following budgets as shown:

<u>Cost Centre/Account</u>	<u>Short Name</u>	<u>Original Budget</u>	<u>Revised Budget</u>
<u>Account</u>		<u>£</u>	<u>£</u>
K002/4410	ICT	10,430	13,736
K002/48020	Subscriptions	3,100	3,700
K003/13080	Other Ees expenses	0	2,160
K003/31010	Mayor's Car	4,500	5,000
K003/44450	HR Support	2,520	6,650
K003/48022	Jubilee Event	0	4,100
K004/21030	Statues	1,500	4,590
K004/21031	Clock Tower	0	1,000
K004/21034	Paddling Pool	4,500	13,033

K004/21410	Maintenance/Grounds	4,000	4,664
K004/21430	St Marys Churchyard	12,990	13,086
K004/25010	Public Toilets water	1,330	1,500
K004/27041	Public Toilets Cleaning	18,850	19,320
K006/21010	Repairs	5,000	10,000
K006/21090	Organ service	0	858
K006/21510	Licenses/Rentals	300	1,500
K006/22030	Electricity	8,000	14,000
K006/22040	Gas	7,000	12,000
K006/24010	ND Rates	12,200	30,382
K006/25030	Water	6,000	9,299
K006/26020	Fire and Security	1,500	3,239
K006/27030	Waste Disposal	1,400	2,590
K006/27040	Cleaning	13,000	20,799
K006/27050	Hygiene Services	1,500	2,111
K006/41510	Vending Machines	180	336
K006/41520	Bar Purchases	0	14,000
K006/41530	Sales Expenditure	0	1,930
K006/44068	Sound & Lighting	0	700
K006/44074	Consultancy	30,000	36,000
K006/48021	Christmas Events	0	4,000
K006/49010	Marketing	3,000	7,000
K006/58200	PR Licence	0	500
K008/44074	Consultancy	0	35,000



Lee Jakeman  
Chief Executive

Encl:

1. Officers Budget Review